

Amendment No. 1 to HB1565

Watson
Signature of Sponsor

AMEND Senate Bill No. 1740

House Bill No. 1565*

by deleting the language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 39-17-503(a), is amended by deleting the subsection in its entirety and by substituting instead the following:

(a) A person commits an offense who knowingly induces or aids another to engage in illegal gambling, and:

(1) Intends to derive or derives an economic benefit other than personal winnings from the gambling; or

(2) Participates in the gambling and has, other than by virtue of skill or luck, a lesser risk of losing or greater chance of winning than one (1) or more of the other participants.

SECTION 2. Tennessee Code Annotated, Section 39-17-504(b), is amended by deleting the subsection in its entirety and by substituting instead the following:

(b) For purposes of this section, "gambling enterprise" means two (2) or more persons regularly engaged in gambling promotion as defined in § 39-17-503 that is not a "manufacturer, seller or lessor" of gambling devices as described in § 39-17-505(a)(5).

SECTION 3. Tennessee Code Annotated, Section 39-17-505(a)(5), is amended by deleting the subdivision in its entirety and by substituting instead the following:

(5) It is not an offense for a manufacturer, seller or lessor of gambling devices to knowingly own, manufacture, assemble, design, possess, buy, sell, rent, lease, store, repair, transport, print or make any gambling device or record solely intended for gambling outside of this state and in compliance with the laws of the United States. The requirement that the manufacturing, selling or leasing of gambling devices be intended solely for gambling outside of the state shall not restrict uses of the gambling devices by

the manufacturer, seller or lessor that are ancillary or accessorial to the manufacturing, selling or leasing process or business, including, but not limited to, using the gambling devices for research and development, employee training, compliance program initiatives, testing and quality assurance processes, showroom display, leasing or purchasing or selling of gambling devices or parts or equipment, storage or warehousing of gambling devices or parts or equipment, maintenance or refurbishing of gambling devices or parts or equipment, and safekeeping of gambling devices or parts or equipment for future litigation. Also considered ancillary or accessorial to the manufacturing, selling or leasing process or business shall be the use or operation of computers, computer servers, and similar electronic devices, hardware and software, and all gambling records, data or information owned, maintained or stored thereupon, or produced, generated, created, printed, transported or transmitted therefrom, whether paper, electronic or otherwise, in conjunction with legal gambling and in compliance with the laws of the United States. Ancillary or accessorial uses do not include use of the gambling devices or records that would allow persons physically present in the state of Tennessee to place gambling bets.

This subdivision (a)(5) does not apply unless the manufacturer, seller or lessor meets or exceeds federal government requirements pursuant to 15 U.S.C. § 1171 et seq., and any regulations promulgated pursuant to 15 U.S.C. § 1171 et seq., and provides the secretary of state of Tennessee with a copy of the request for registration pursuant to 15 U.S.C. § 1173, together with copies of each gambling license or permit issued by any regulatory authority, including but not limited to any state, country, federally recognized tribe or United States territory, and pays a \$10,000 fee prior to January 1st of that year. Additionally, the manufacturer, seller or lessor will provide the secretary of state of Tennessee with proof of annual registration under 15 U.S.C. § 1173 with the office of the United States Attorney General within 30 days of the receipt thereof.

SECTION 4. Tennessee Code Annotated, Section 39-17-505(b)(1), is amended by deleting the subdivision in its entirety and by substituting instead the following:

(1) Any gambling device or record used to place gambling bets in the state of Tennessee is contraband and shall be subject to seizure, confiscation and forfeiture in accordance with the forfeiture provisions, compiled in chapter 11, part 7 of this title.

SECTION 5. This act shall take effect upon becoming law, the public welfare requiring it.